



**May 30th, 2025**

Dear Supplier,

This letter serves as a friendly reminder and reinforcement of our existing policies regarding cost recovery for rejected material due to quality issues and non-conformance. These practices are already in place and are outlined in our Purchase Order Terms and Conditions as well as the Supplier Handbook. This communication is a refresher to ensure your continued alignment and awareness.

As stated in the Atmus Purchase Order Terms and Conditions and unless otherwise agreed in writing, we would like to reiterate that the Supplier is fully responsible for all costs incurred due to non-conforming material. These charges may include, but are not limited to:

- Inbound cost
- Rework and sorting costs
- Inspection and handling fees
- Storage and administrative fees
- Any other costs associated with supplier-caused disruptions

Additionally, the Supplier Handbook clearly states under section BB 'Nonconformity and Corrective Action (10.2-F)' that Atmus reserves the right to recover all costs associated with supplier-caused disruptions. These may include scrap, rework, engine damage, tear down/retest expenses, premium freight, assembly disruptions, administrative expenses, inbound expenses, and more.

Please be advised that we will be closely monitoring all deliveries for any instances of product non-conformance and quality issues and should there be any deviations from the agreed specifications, we reserve the right to raise a formal claim for such occurrences.

We appreciate your continued cooperation and attention to these policies to help ensure quality and efficiency across our supply chain.

Sincerely,

**Omar Sifuentes**

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Líder de Compras

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